

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2109 – HB 2256

March 9, 2014

SUMMARY OF ORIGINAL BILL: Changes the boundary line between Franklin and Marion Counties in a manner as to detach 56 parcels of property from Franklin County and to attach such parcels to Marion County, effective January 1, 2015.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Revenue - \$19,700

SUMMARY OF AMENDMENT (013784): Deletes all language after the enacting clause and rewrites the bill such that there are not substantive changes or alterations to the boundary lines.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the Office of the Comptroller of the Treasury (COT), the provisions of the bill as amended establish a new jointly agreed upon boundary line between Franklin and Marion Counties and effects 56 parcels of property.
- According to information provided by COT, property taxes for the impacted parcels were being assessed and collected by both Franklin and Marion Counties.
- The provisions of the bill as amended will result in a decrease in property tax revenue for Franklin County, however will not result in an increase in property tax revenue for Marion County as such taxes are currently being collected.
- According to COT, the effective date of the bill will not result in any significant change in local government property tax assessments or collections.
- Based on information provided by COT, the 2013 appraised value of the impacted parcels is \$2,950,700. All parcels have a classification rate of 25 percent and the current tax rate of Franklin County is \$2.6736 per \$100 of assessed value (or 0.026736). As a result, the recurring decrease in property tax revenue to Franklin County is \$19,722 $[(\$2,950,700 \times 25\%) \times 0.026736]$.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh